

BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Petition for
Reinstatement of Revoked Certificate of:

SALVATORE CENSOPRANO,

Petitioner.

Case No. SI-2012-37

OAH No. 2012020030

DECISION

This matter was heard before a quorum of the California Board of Accountancy in Burlingame, California, on March 22, 2012. Michael C. Cohn, Administrative Law Judge, State of California, Office of Administrative Hearings, presided.

Carl Sonne, Deputy Attorney General, represented the People of the State of California.

Petitioner Salvatore Censoprano was present and was represented by lay advocate Arturo Ramudo, CPA.

FACTUAL FINDINGS

1. Petitioner Salvatore Censoprano was issued Certified Public Accountant certificate number 58332 on February 1, 1991.
2. In September 2001, the Securities and Exchange Commission brought an enforcement action against petitioner and others in relation to M&A West, Inc., a start-up Internet business. Petitioner was Chief Financial Officer of M&A West. The SEC action alleged, among other things, that petitioner had participated with others in a fraudulent scheme that resulted in M&A West filing materially false and misleading financial statements and quarterly reports in 1999 and 2000; that petitioner had participated in the preparation of documents and accounting entries that were used to improperly account for cash received by M&A West and to materially increase M&A West's revenue and net income; that petitioner had participated in the creation of agreements that did not exist; and that petitioner had provided misleading information, and failed to disclose information, to M&A West's independent auditors about certain of the company's fraudulent practices.

3. In October 2005, in a settlement agreement in the United States District Court, petitioner was ordered to pay a \$250,000 civil penalty and was prohibited from acting as an officer or director of an issuer of registered securities. In November 2005, the SEC issued an order suspending petitioner from appearing or practicing before the SEC as an accountant.

4. In March 2006, an accusation was issued against petitioner, alleging that cause for disciplinary action existed against his CPA certificate by reason of the matters set forth in Findings 2 and 3, above. On May 26, 2006, petitioner signed a stipulation in which he admitted the SEC had taken enforcement and administrative actions against him, and that these constituted cause for discipline of his certificate. Petitioner stipulated that his certificate would be revoked and that he would be required to reimburse the board its investigative and prosecution costs of \$3,000 before he could file a petition for reinstatement of his certificate. The board's decision adopting the stipulation was effective August 25, 2006.

5. Petitioner has taken full responsibility for his actions at M&A West in 1999 and 2000. He is sincerely remorseful for those actions. Petitioner paid the \$250,000 civil penalty to the SEC in 2005 and made full reimbursement of the board's investigative and prosecution costs in 2007. Since revocation of his CPA certificate petitioner has maintained his professional knowledge and skills. He continues to be a tax preparer registered by the California Tax Education Council. Between July 2010 and December 2011, petitioner completed 147 hours of continuing professional education. He has been active in his church and in his community, providing many hours of community service as well as pro bono tax preparation services.

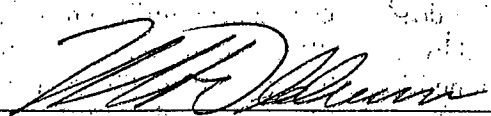
LEGAL CONCLUSIONS

The board was impressed with petitioner's rehabilitation. In consideration of the matters set forth in Finding 5, above, petitioner established to the board's satisfaction that it would not be against the public interest to fully reinstate his certificate.

ORDER

The petition of Salvatore Censoprano is granted. Petitioner's certificate shall be fully restored.

DATED: April 27, 2012


MARSHAL OLDMAN, President
California Board of Accountancy
Department of Consumer Affairs

1 BILL LOCKYER, Attorney General
of the State of California
2 JEANNE C. WERNER, State Bar No. 93170
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6
7 Attorneys for Complainant

8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

12 SALVATORE CENSOPRANO
957 Laguna Circle
13 Foster City, California 94404

14 Certified Public Accountant Certificate
No. CPA 58332,

15 Respondent.

Case No. AC-2006-11

OAH No. 2006050619.

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

17 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
18 entitled proceedings that the following matters are true:

19 **PARTIES AND JURISDICTION**

20 1. Carol Sigmann, Complainant, is the Executive Officer of the California Board of
21 Accountancy (the "Board"). She brought this action solely in her official capacity and is
22 represented in this matter by Bill Lockyer, Attorney General of the State of California, by Jeanne
23 C. Werner, Deputy Attorney General.

24 2. On or about February 1, 1991, the California Board of Accountancy issued
25 Certified Public Accountant Certificate No. CPA 58332 to Respondent Salvatore Censoprano.
26 The Certificate was in full force and effect at all times relevant to the charges brought in
27 Accusation No. AC-2006-11 and will expire on June 30, 2007, unless renewed.

28 3. Accusation No. AC-2006-11 was filed before the California Board of

1 Accountancy (Board), Department of Consumer Affairs, and is currently pending against
2 Respondent. The Accusation and all other statutorily required documents were properly served
3 on Respondent on March 27, 2006. Respondent timely filed his Notice of Defense contesting the
4 Accusation. A copy of Accusation No. AC-2006-11 is attached as Exhibit A and incorporated
5 herein by reference.

6 **WAIVERS, RESTRICTIONS & CONTINGENCY**

7 4. Respondent Salvatore Censoprano is representing himself in this proceeding and
8 has chosen not to exercise his right to be represented by counsel.

9 5. Respondent Censoprano has carefully read, and understands, the charges and
10 allegations in Accusation No. AC-2006-11. Respondent has also carefully read and understands
11 the effects of this Stipulated Settlement and Disciplinary Order.

12 6. Respondent is fully aware of his legal rights in this matter, including the right to a
13 hearing on the charges and allegations in the Accusation; the right to be represented by counsel at
14 his own expense; the right to confront and cross-examine the witnesses against him; the right to
15 present evidence and to testify on his own behalf; the right to the issuance of subpoenas to
16 compel the attendance of witnesses and the production of documents; the right to reconsideration
17 and court review of an adverse decision; and all other rights accorded by the California
18 Administrative Procedure Act and other applicable laws. Respondent voluntarily, knowingly,
19 and intelligently waives and gives up each and every right set forth above.

20 7. This stipulation shall be subject to approval by the Board. Respondent
21 understands and agrees that counsel for Complainant and the staff of the Board may
22 communicate directly with the Board regarding this stipulation and settlement, without notice to
23 or participation by Respondent or his counsel.

24 8. By signing the stipulation, Respondent understands and agrees that he may not
25 withdraw his agreement or seek to rescind the stipulation prior to the time the Board considers
26 and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the
27 Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this
28 paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not

1 be disqualified from further action by having considered this matter.

2 9. Respondent understands that by signing this stipulation he enables the Board to
3 issue an order revoking his CPA Certificate without further process.

4 **ADMISSIONS, FINDINGS, AND FURTHER STIPULATIONS**

5 10. Respondent admits that the U.S. Securities and Exchange Commission took the
6 enforcement and administrative actions against him as set forth in the Accusation and that the
7 SEC's action constitutes cause for discipline of his CPA license under Section 5100,
8 subparagraphs 5100(h) and 5100(l), of the Accountancy Act. Respondent hereby gives up any
9 right to contest that cause for discipline of his license is established based on the SEC's action,
10 and Respondent agrees to be bound by the Board's imposition of discipline as set forth in the
11 Disciplinary Order below.

12 11. The parties understand and agree that facsimile copies of this Stipulated
13 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same
14 force and effect as the originals.

15 12. The parties stipulate that, for the purpose of cost recovery under Code Section
16 5107, the Board's reasonable costs of investigation and prosecution in this matter are \$3000.00.
17 The Board will not accept a petition for reinstatement (or any other application for licensure)
18 from Respondent unless cost recovery in this case has been satisfied according to the provisions
19 of Code Section 5107 or pursuant to agreement with the Board and/or its designees.

20 **IN CONSIDERATION OF THE FOREGOING** admissions and stipulations, the
21 parties agree that the Board may, without further notice or formal proceeding, issue and enter the
22 following Disciplinary Order:

23 **DISCIPLINARY ORDER**

24 IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. CPA 58332,
25 issued to Respondent Salvatore Censoprano, is revoked.

26 Respondent Censoprano shall lose all rights and privileges as a Certified Public
27 Accountant in California as of the effective date of the Board's Decision and Order.

28 As provided in this stipulation, the Board shall require payment of its investigation and

1 enforcement charges associated with this proceeding prior to its accepting for its consideration a
2 petition for reinstatement or application for licensure.

3
4 ACCEPTANCE

5 I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the
6 stipulation and the effect it will have on my Certified Public Accountant Certificate. I enter into
7 this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and
8 agree to be bound by the Decision and Order of the California Board of Accountancy.

9 DATED: 5/24/, 2006.

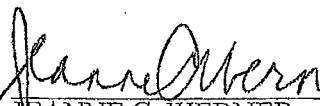
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11 
12 SALVATORE CENSOPRANO
13 Respondent

14 ENDORSEMENT

15 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
16 submitted for consideration by the California Board of Accountancy of the Department of
17 Consumer Affairs.

18
19 DATED: May 26, 2006.

20 BILL LOCKYER, Attorney General
21 of the State of California

22 
23 JEANNE C. WERNER
24 Deputy Attorney General

25 Attorneys for Complainant

BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

SALVATORE CENSOPRANO
957 Laguna Circle
Foster City, California 94404

Certified Public Accountant Certificate
No. CPA 58332

Respondent.

Case No. AC-2006-11

OAH No. 2006050619

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order, revoking the Certified Public Accountant Certificate No. CPA 58332, issued to Salvatore Censoprano, is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on August 25, 2006.

It is so ORDERED July 26, 2006.

Ronald Blanc
President


FOR THE CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

Exhibit A
Accusation No. AC-2006-11

1 BILL LOCKYER, Attorney General
of the State of California
2 JEANNE C. WERNER, State Bar No. 93170
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6 Attorneys for Complainant

7
8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
9 **STATE OF CALIFORNIA**

10 In the Matter of the Accusation Against:

Case No. AC-2006-11

11 SALVATORE CENSOPRANO
12 957 Laguna Circle
Foster City, California 94404

ACCUSATION

13 Certified Public Accountant Certificate
14 No. CPA 58332,
15 Respondent.

16 The Complainant alleges:

17 **PARTIES and JURISDICTION**

18 1. The Complainant herein, Carol Sigmann, brings this Accusation under Business
19 and Professions Code Section 5100 solely in her official capacity as the Executive Officer of the
20 California Board of Accountancy, Department of Consumer Affairs.

21 2. On or about February 1, 1991, the California Board of Accountancy issued
22 Certified Public Accountant Certificate Number CPA 58332 to Salvatore Censoprano, the
23 Respondent herein. The Certified Public Accountant Certificate has been renewed for every
24 applicable two-year renewal period since its issuance, and was in full force and effect at all times
25 relevant to the charges brought herein. The Certificate is currently renewed in an "active" status
26 through June 30, 2007.

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1 3. This Accusation is brought before the Board under the authority of Section 5100
2 of the Business and Professions Code,¹ which provides, in relevant part, that, after notice and
3 hearing, the board may revoke, suspend or refuse to renew any permit or certificate granted, for
4 unprofessional conduct which includes, but is not limited to, one or any combination of the
5 causes specified therein, including pertinent provisions of the following subparagraphs:

6 5100(g) Willful violation of the Accountancy Act or any rule or regulation
7 promulgated by the Board.

8 5100(h) The suspension or revocation of the right to practice before any
9 governmental body or agency.

10 5100(i) The imposition of any discipline, penalty, or sanction, by the United
11 States Securities and Exchange Commission, on a person associated with a registered firm or on
12 a holder of a certificate to practice in this state.

13 4. Code section 5063 requires that a licensee report to the Board in writing the
14 occurrence of certain events ("reportable events") occurring after January 1, 2003, within 30 days
15 of the date the licensee has knowledge of these events. Among the events is the suspension of
16 the right to practice as a certified public accountant before any governmental body or agency
17 (Code section 5063(a)(3)).

18 5. Code section 5107 provides for recovery by the Board of all reasonable costs of
19 investigation and prosecution of the case, including, but not limited to, attorney's fees. A
20 certified copy of the actual costs, or a good faith estimate of costs signed by the Executive
21 Officer, constitute prima facie evidence of reasonable costs of investigation and prosecution of
22 the case.

23 6. Code Sections 118(b) and 5109 provide in pertinent part that the suspension,
24 expiration, cancellation, or forfeiture of a license issued by the Board shall not, deprive the Board
25 of its authority to investigate, or to institute or continue a disciplinary proceeding against, a
26

27
28 1. All statutory references are to the Business and Professions Code unless otherwise
indicated.

1 licensee upon any ground provided by law, or to enter an order suspending or revoking the
2 license or otherwise taking disciplinary action against the licensee on any such ground.

3 7. Code Section 5000.1 provides as follows: "Protection of the public shall be the
4 highest priority for the California Board of Accountancy in exercising its licensing, regulatory,
5 and disciplinary functions. Whenever the protection of the public is inconsistent with other
6 interests sought to be promoted, the protection of the public shall be paramount."

7 **FACTUAL BASIS FOR IMPOSITION OF DISCIPLINE**

8 **SEC Enforcement Action**

9 8. The United States Securities and Exchange Commission ("SEC" or
10 "Commission") brought an enforcement action against Respondent Censoprano and others on
11 September 6, 2001. The Commission filed a complaint captioned *SEC V. M&A West, et al.*,
12 Civil Action No. C-01-3376 VRW (N.D. California).

13 9. The Commission's complaint alleged, among other things, that:

- 14 A. Censoprano served a Chief Financial Officer of M&A West, Inc. during 1999 and
15 2000. M&A West, Inc. ("M&A West") was a Colorado corporation with its
16 principal place of business in San Bruno, California. M&A West was engaged in
17 the business of developing start-up internet-related businesses.
- 18 B. Censoprano participated with others in a fraudulent scheme which resulted in
19 M&A filing materially false and misleading financial statement in the company's
20 annual reports on Form 10-KSB for the fiscal years ended May 31, 1999 and May
21 31, 2000, and in the company's quarterly reports on Form 10-QSB for the quarters
22 ended August 31, 1999 and November 30, 1999, and a materially false and
23 misleading Form 8-K/A dated August 18, 1999.
- 24 C. Censoprano participated in several instances involving the preparation of
25 documents and accounting entries that were used to improperly account for cash
26 received by M&A West, and to materially increase M&A West's annual and
27 quarterly revenue and net income, and which represented a departure from
28 generally accepted accounting principles ("GAAP").

1 D. Among other things, Censoprano participated in the creation of agreements that
2 did not exist, and in improperly accounting for securities held by M&A West.

3 E. In addition, Censoprano provided misleading information, and failed to disclose
4 information, to M&A West's independent auditors about certain of the
5 Company's fraudulent practices.

6 10. On October 28, 2005, U. S. District Court Judge Vaughn Walker entered an order
7 permanently enjoining Censoprano, by consent, from specified future violations of the Exchange
8 Act and Rules thereunder, and from aiding and abetting future violations of specified Exchange
9 Act provisions and rules. Censoprano was ordered to pay a \$250,000 civil money penalty and
10 was prohibited from acting as an officer or director of an issuer that has securities registered
11 pursuant to Section 2(g) of the Exchange Act. In resolving the above case, Respondent neither
12 admitted nor denied the allegations.

13 SEC Administrative Action

14 11. Effective on or about November 10, 2005, in an Order² resolving an
15 administrative proceeding before the United States Securities and Exchange Commission ("SEC"
16 or "Commission"), entitled *In the Matter of Salvatore Censoprano, CPA, Respondent* (SEC
17 Administrative Proceeding No. 3-12102), Respondent was suspended from appearing or
18 practicing before the SEC as an accountant. In resolving the administrative action, Respondent
19 admitted only that the enforcement action referenced in 8 through 10 above was filed and
20 resolved.

21 FIRST CAUSE FOR DISCIPLINE

22 **Suspension of Right to Practice Before a Governmental Body or Agency** 23 **[Business and Professions Code Section 5100(h)]**

24 12. Complainant realleges paragraph 11, above, and incorporates it herein by
25 reference as if fully set forth at this point.

26 _____
27 2. The Commission's Order is entitled *Order Instituting Administrative Proceedings*
28 *Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and*
Imposing Remedial Sanctions.

1 13. The Commission's suspension of Respondent Censoprano's right to practice
2 before the Commission constitutes the suspension of the right to practice before a governmental
3 agency within the meaning of Code section 5100(h), establishing cause for discipline of
4 Respondent's Certified Public Accountant Certificate under Code Section 5100.

5 **SECOND CAUSE FOR DISCIPLINE**

6 **The Imposition of Discipline, Penalty or Sanction**
7 **by the U. S. Securities and Exchange Commission**
8 **[Business and Professions Code Section 5100(I)]**

9 14. Complainant realleges paragraph 11, above, and incorporates it herein by
10 reference as if fully set forth at this point.

11 15. The Commission's Order denying Respondent the privilege of appearing or
12 practicing before the Commission as an accountant, constitutes the imposition of a penalty,
13 sanction, or discipline on Respondent within the meaning of Code section 5100(I), establishing
14 cause for discipline of Respondent's Certified Public Accountant Certificate under Code
15 Section 5100.

16 **THIRD CAUSE FOR DISCIPLINE**

17 **The Imposition of Discipline, Penalty or Sanction**
18 **by the U. S. Securities and Exchange Commission**
19 **[Business and Professions Code Section 5100(I)]**

20 16. Complainant realleges paragraphs 8 through 10, above, and incorporates them
21 herein by reference as if fully set forth at this point.

22 17. The Court's Order as set forth in paragraph 10 above, prohibiting, *inter alia*,
23 Respondent from acting as an officer or director of an issuer, and imposing a \$250,000 civil
24 money penalty, constitutes the imposition of a penalty, sanction, or discipline on Respondent
25 within the meaning of Code section 5100(I), establishing cause for discipline of Respondent's
26 Certified Public Accountant Certificate under Code Section 5100.

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19. Respondent's failure to report the suspension constitutes the violation of the reportable events requirement within the meaning of Code section 5063, establishing cause for discipline of Respondent's Certified Public Accountant Certificate under Code Section 5100(g).

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